

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 13, between lines 35 and 36, begin a new paragraph and insert:
- 2 "SECTION 10. IC 5-28-15-3, AS ADDED BY P.L.214-2005,
- 3 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. As used in this
- 5 chapter, "zone business" means an entity that accesses at least one (1)
- 6 tax credit, deduction, or exemption incentive available under this
- 7 chapter, ~~IC 6-1.1-20.8~~, IC 6-1.1-45, IC 6-3-3-10, IC 6-3.1-7, or
- 8 IC 6-3.1-10.
- 9 SECTION 11. IC 5-28-15-5, AS ADDED BY P.L.214-2005,
- 10 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 11 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. (a) The board has the
- 12 following powers, in addition to other powers that are contained in this
- 13 chapter:
- 14 (1) To review and approve or reject all applicants for enterprise
- 15 zone designation, according to the criteria for designation that this
- 16 chapter provides.
- 17 (2) To waive or modify rules as provided in this chapter.
- 18 (3) To provide a procedure by which enterprise zones may be
- 19 monitored and evaluated on an annual basis.
- 20 (4) To adopt rules for the disqualification of a zone business from
- 21 eligibility for any or all incentives available to zone businesses,
- 22 if that zone business does not do one (1) of the following:
- 23 (A) If all its incentives, as contained in the summary required
- 24 under section 7 of this chapter, exceed one thousand dollars

- 1 (\$1,000) in any year, pay a registration fee to the board in an
2 amount equal to one percent (1%) of all its incentives.
- 3 (B) Use all its incentives, except for the amount of the
4 registration fee, for its property or employees in the zone.
- 5 (C) Remain open and operating as a zone business for twelve
6 (12) months of the assessment year for which the incentive is
7 claimed.
- 8 (5) To disqualify a zone business from eligibility for any or all
9 incentives available to zone businesses in accordance with the
10 procedures set forth in the board's rules.
- 11 (6) After a recommendation from a U.E.A., to modify an
12 enterprise zone boundary if the board determines that the
13 modification:
 - 14 (A) is in the best interests of the zone; and
 - 15 (B) meets the threshold criteria and factors set forth in section
16 9 of this chapter.
- 17 (7) To employ staff and contract for services.
- 18 (8) To receive funds from any source and expend the funds for the
19 administration and promotion of the enterprise zone program.
- 20 (9) To make determinations under IC 6-3.1-11 concerning the
21 designation of locations as industrial recovery sites. ~~and the~~
22 ~~availability of the credit provided by IC 6-1.1-20.7 to persons~~
23 ~~owning inventory located on an industrial recovery site.~~
- 24 (10) To make determinations under ~~IC 6-1.1-20.7 and~~ IC 6-3.1-11
25 concerning the disqualification of persons from claiming credits
26 provided by ~~those chapters that~~ **chapter** in appropriate cases.
- 27 (11) To make determinations under IC 6-3.1-11.5 concerning the
28 designation of locations as military base recovery sites and the
29 availability of the credit provided by IC 6-3.1-11.5 to persons
30 making qualified investments in military base recovery sites.
- 31 (12) To make determinations under IC 6-3.1-11.5 concerning the
32 disqualification of persons from claiming the credit provided by
33 IC 6-3.1-11.5 in appropriate cases.
- 34 (b) In addition to a registration fee paid under subsection (a)(4)(A),
35 each zone business that receives an incentive described in section 3 of
36 this chapter shall assist the zone U.E.A. in an amount determined by
37 the legislative body of the municipality in which the zone is located. If
38 a zone business does not assist a U.E.A., the legislative body of the
39 municipality in which the zone is located may pass an ordinance
40 disqualifying a zone business from eligibility for all credits or
41 incentives available to zone businesses. If a legislative body
42 disqualifies a zone business under this subsection, the legislative body
43 shall notify the board, the department of local government finance, and
44 the department of state revenue in writing not more than thirty (30)
45 days after the passage of the ordinance disqualifying the zone business.
46 Disqualification of a zone business under this section is effective

beginning with the taxable year in which the ordinance disqualifying the zone business is adopted."

Page 14, between lines 27 and 28, begin a new paragraph and insert:
"SECTION 14. IC 6-1.1-1-8.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 8.4.**

"Inventory" means:

- (1) materials held for processing or for use in production;**
- (2) finished or partially finished goods of a manufacturer or processor; and**
- (3) property held for sale in the ordinary course of trade or business.**

SECTION 15. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- ~~(1) nursery stock that has been severed from the ground;~~
- ~~(2) florists' stock of growing crops which are ready for sale as pot plants or benches;~~
- ~~(3) (1) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;~~
- ~~(4) (2) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5;~~
- ~~(5) (3) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and~~
- ~~(6) (4) all other tangible property (other than real property) which:~~
is being:
 - ~~(A) held for sale in the ordinary course of a trade or business;~~
 - ~~(B) held, used, or consumed in connection with the production of income; or~~
 - ~~(C) (A) is being held as an investment; or~~
 - (B) is depreciable personal property.**

(b) Personal property does not include the following:

- (1) Commercially planted and growing crops while they are in the ground.
- (2) Computer application software. ~~that is not held as~~
- (3) Inventory. (as defined in IC 6-1.1-3-11):"**

Page 15, between lines 2 and 3, begin a new paragraph and insert:
"SECTION 17. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 7. The following property is not subject to assessment and taxation under this article:

- (1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.

(2) A motor vehicle or trailer that is subject to the annual license excise tax imposed under IC 6-6-5.

(3) A boat that is subject to the boat excise tax imposed under IC 6-6-11.

(4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:

(A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

(6) Inventory."

Page 15, line 5, after "(c)" insert ",".

Page 15, line 5, strike "and section 11 of this chapter,".

Page 15, line 9, after "(c)" insert ",".

Page 15, line 9, strike "and section 11 of this".

Page 15, line 10, strike "chapter,".

Page 72, line 16, after "6-1.1-3-11" delete "." and insert **"(repealed)."**

Page 72, line 19, strike "beginning with" and insert **"for"**.

Page 72, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 92. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.137-2007, SECTION 3, AND AS AMENDED BY P.L.219-2007, SECTION 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 4.5. ~~(a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).~~

~~(b)~~ **(a)** An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or

- 1 hazardous waste into energy or other useful products; and
 2 (B) new research and development equipment, new logistical
 3 distribution equipment, or new information technology
 4 equipment;
 5 an estimate of the number of individuals who will be employed or
 6 whose employment will be retained by the person as a result of
 7 the installation of the new manufacturing equipment, new
 8 research and development equipment, new logistical distribution
 9 equipment, or new information technology equipment and an
 10 estimate of the annual salaries of these individuals.
 11 (3) An estimate of the cost of the new manufacturing equipment,
 12 new research and development equipment, new logistical
 13 distribution equipment, or new information technology
 14 equipment.
 15 (4) With respect to new manufacturing equipment used to dispose
 16 of solid waste or hazardous waste by converting the solid waste
 17 or hazardous waste into energy or other useful products, an
 18 estimate of the amount of solid waste or hazardous waste that will
 19 be converted into energy or other useful products by the new
 20 manufacturing equipment.
 21 The statement of benefits may be incorporated in a designation
 22 application. Notwithstanding any other law, a statement of benefits is
 23 a public record that may be inspected and copied under IC 5-14-3-3.
 24 ~~(c)~~ **(b)** The designating body must review the statement of benefits
 25 required under subsection ~~(b)~~: **(a)**. The designating body shall
 26 determine whether an area should be designated an economic
 27 revitalization area or whether the deduction shall be allowed, based on
 28 (and after it has made) the following findings:
 29 (1) Whether the estimate of the cost of the new manufacturing
 30 equipment, new research and development equipment, new
 31 logistical distribution equipment, or new information technology
 32 equipment is reasonable for equipment of that type.
 33 (2) With respect to:
 34 (A) new manufacturing equipment not used to dispose of solid
 35 waste or hazardous waste by converting the solid waste or
 36 hazardous waste into energy or other useful products; and
 37 (B) new research and development equipment, new logistical
 38 distribution equipment, or new information technology
 39 equipment;
 40 whether the estimate of the number of individuals who will be
 41 employed or whose employment will be retained can be
 42 reasonably expected to result from the installation of the new
 43 manufacturing equipment, new research and development
 44 equipment, new logistical distribution equipment, or new
 45 information technology equipment.
 46 (3) Whether the estimate of the annual salaries of those

individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

~~(d)~~ (c) Except as provided in subsection ~~(h)~~, (g), and subject to subsection ~~(i)~~ (h) and section 15 of this chapter, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(g)~~ (f). Except as provided in subsection ~~(f)~~ (e) and in section 2(i)(3) of this chapter, and subject to subsection ~~(i)~~ (h) and section 15 of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection ~~(e)~~ (d); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection ~~(e)~~ (d).

~~(e)~~ (d) The percentage to be used in calculating the deduction under subsection ~~(d)~~ (c) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

1	2nd and thereafter	0%
2	(2) For deductions allowed over a two (2) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	50%
6	3rd and thereafter	0%
7	(3) For deductions allowed over a three (3) year period:	
8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	66%
11	3rd	33%
12	4th and thereafter	0%
13	(4) For deductions allowed over a four (4) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	75%
17	3rd	50%
18	4th	25%
19	5th and thereafter	0%
20	(5) For deductions allowed over a five (5) year period:	
21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	80%
24	3rd	60%
25	4th	40%
26	5th	20%
27	6th and thereafter	0%
28	(6) For deductions allowed over a six (6) year period:	
29	YEAR OF DEDUCTION	PERCENTAGE
30	1st	100%
31	2nd	85%
32	3rd	66%
33	4th	50%
34	5th	34%
35	6th	25%
36	7th and thereafter	0%
37	(7) For deductions allowed over a seven (7) year period:	
38	YEAR OF DEDUCTION	PERCENTAGE
39	1st	100%
40	2nd	85%
41	3rd	71%
42	4th	57%
43	5th	43%
44	6th	29%
45	7th	14%
46	8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) (e) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to

IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

~~(g)~~ **(f)** For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

~~(h)~~ **(g)** The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a *criminal* violation under *IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or ~~IC 13-30-6~~; or*

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

~~(i)~~ **(h)** For purposes of subsection ~~(d)~~, **(c)**, the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9

determined:

- (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 93. IC 6-1.1-12.1-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
 Sec. 4.7. (a) Section ~~4.5(f)~~ **4.5(e)** of this chapter does not apply to new manufacturing equipment located in a township having a population of more than four thousand (4,000) but less than seven thousand (7,000) located in a county having a population of more than forty thousand (40,000) but less than forty thousand nine hundred (40,900) if the total original cost of all new manufacturing equipment placed into service by the owner during the preceding sixty (60) months exceeds fifty million dollars (\$50,000,000), and if the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before September 1, 1994.

(b) Section ~~4.5(f)~~ **4.5(e)** of this chapter does not apply to new manufacturing equipment located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) if:

- (1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and
- (2) the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before January 1, 2001.

(c) A deduction under section ~~4.5(d)~~ **4.5(c)** of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by section ~~4.5(d)~~ **4.5(c)** of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

- (1) A deduction under section ~~4.5(d)~~ **4.5(c)** of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.
- (2) "Incremental net assessed value" means the sum of:
 - (A) the net assessed value of real property and depreciable personal property from which property tax revenues are required to be held in trust and pledged for the benefit of the owners of bonds issued by the redevelopment commission of a county described in subsection (b) under resolutions adopted November 16, 1998, and July 13, 2000 (as amended

- 1 November 27, 2000); plus
 2 (B) fifty-four million four hundred eighty-one thousand seven
 3 hundred seventy dollars (\$54,481,770).
 4 (3) The assessed value of real property and personal property of
 5 the owner shall be determined after the deductions provided by
 6 sections 3 and 4.5 of this chapter.
 7 (4) The personal property of the owner shall include inventory.
 8 (5) The amount of deductions provided by section 4.5 of this
 9 chapter with respect to new manufacturing equipment that was
 10 installed on or before March 1, 2000, shall be increased from
 11 thirty-three and one-third percent (33 1/3%) of true tax value to
 12 one hundred percent (100%) of true tax value for assessment
 13 dates after February 28, 2001.
 14 (e) A deduction not fully allowed under subsection (c) in the first
 15 year the deduction is claimed or in a subsequent year permitted by
 16 section 4.5 of this chapter shall be carried over and allowed as a
 17 deduction in succeeding years. A deduction that is carried over to a
 18 year but is not allowed in that year under this subsection shall be
 19 carried over and allowed as a deduction in succeeding years. The
 20 following apply for purposes of this subsection:
 21 (1) A deduction that is carried over to a succeeding year is not
 22 allowed in that year to the extent that the deduction, together
 23 with:
 24 (A) deductions otherwise allowed under section 3 of this
 25 chapter;
 26 (B) deductions otherwise allowed under section 4.5 of this
 27 chapter; and
 28 (C) other deductions carried over to the year under this
 29 subsection;
 30 would cause the assessed value of all real property and personal
 31 property of the owner in the taxing district to be less than the
 32 incremental net assessed value for that year.
 33 (2) Each time a deduction is carried over to a succeeding year, the
 34 deduction shall be reduced by the amount of the deduction that
 35 was allowed in the immediately preceding year.
 36 (3) A deduction may not be carried over to a succeeding year
 37 under this subsection if such year is after the period specified in
 38 section ~~4.5(d)~~ **4.5(c)** of this chapter or the period specified in a
 39 resolution adopted by the designating body under section ~~4.5(h)~~
 40 **4.5(g)** of this chapter."
 41 Page 78, line 10, strike "4.5(g)(2)" and insert " **4.5(f)(2)**".
 42 Page 83, line 3, strike "other than inventory (as defined in 50".
 43 Page 83, line 4, strike "IAC 4.2-5-1, as in effect on January 1,
 44 2005)".
 45 Page 85, between lines 22 and 23, begin a new paragraph and insert:
 46 "SECTION 106. IC 6-1.1-14-9 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
 2 Sec. 9. (a) If a hearing is required under section 4 or section 8 of this
 3 chapter, the department of local government finance shall give notice
 4 to the taxpayers of each county for which the department is to consider
 5 an increase in the assessments. The notice shall state the time, place,
 6 and object of the public hearing on the assessments. The department of
 7 local government finance shall give the notice in the manner prescribed
 8 in subsection (c).

9 (b) If an equalization order is issued under section 5 of this chapter,
 10 the department of local government finance shall give notice of the
 11 order to the taxpayers of each county to which the order is directed.
 12 The department of local government finance shall give the notice in the
 13 manner provided in subsection (c). The notice required by this
 14 subsection is in lieu of the notices required by ~~IC 6-1.1-3-13~~
 15 **IC 6-1.1-3-20** or IC 6-1.1-4-22.

16 (c) A notice required by this section shall be published once in:

- 17 (1) two (2) newspapers of general circulation published in the
- 18 county; or
- 19 (2) one (1) newspaper of general circulation published in the
- 20 county if two (2) newspapers of general circulation are not
- 21 published in the county.

22 If there are no newspapers of general circulation published in the
 23 county, the notice shall be given by posting a statement of the time,
 24 place, and object of the hearing in the county courthouse at the usual
 25 place for posting public notices. The published or posted notice of a
 26 hearing shall be given at least ten (10) days before the time fixed for
 27 the hearing."

28 Page 113, between lines 21 and 22, begin a new paragraph and
 29 insert:

30 "SECTION 133. IC 6-1.1-18.5-9.9, AS AMENDED BY P.L.2-2006,
 31 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9.9. (a) The department
 33 of local government finance shall adjust the maximum property tax rate
 34 levied under the statutes listed in section 9.8(a) of this chapter,
 35 IC 20-46-3-6, or IC 20-46-6-5 in each county for property taxes first
 36 due and payable in:

- 37 (1) 2004;
- 38 (2) the year the county first applies the deduction under
- 39 IC 6-1.1-12-41, if the county first applies that deduction for
- 40 property taxes first due and payable in 2005 or 2006; and
- 41 (3) 2007, if the county does not apply the deduction under
- 42 IC 6-1.1-12-41 for any year.

43 (b) If the county does not apply the deduction under IC 6-1.1-12-41
 44 for property taxes first due and payable in 2004, the department shall
 45 compute the adjustment under subsection (a)(1) to allow a levy for the
 46 fund for which the property tax rate is levied that equals the levy that

would have applied for the fund if exemptions under IC 6-1.1-10-29(b)(2) (**repealed**) did not apply for the 2003 assessment date.

(c) If the county applies the deduction under IC 6-1.1-12-41 for property taxes first due and payable in 2004, the department shall compute the adjustment under subsection (a)(1) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if:

(1) exemptions under IC 6-1.1-10-29(b)(2) (**repealed**); and

(2) deductions under IC 6-1.1-12-41;

did not apply for the 2003 assessment date.

(d) The department shall compute the adjustment under subsection (a)(2) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if deductions under IC 6-1.1-12-41 did not apply for the assessment date of the year that immediately precedes the year for which the adjustment is made.

(e) The department shall compute the adjustment under subsection (a)(3) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if deductions under IC 6-1.1-12-42 did not apply for the 2006 assessment date.

SECTION 134. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007, SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*) may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.*

Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.*

Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs

of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

- (A) the cost of personal services (including fringe benefits);
 - (B) the cost of supplies; and
 - (C) any other cost directly related to the operation of the court.
- (3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property *or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5* does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006;

divided by the sum of ~~the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in~~ **determined under this STEP** for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006;

divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.*

Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.

Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.

Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.

Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

1 (B) the local government tax control board finds that the civil
 2 taxing unit needs the increase to provide adequate public
 3 transportation services.

4 The local government tax control board shall consider tax rates
 5 and levies in civil taxing units of comparable population, and the
 6 effect (if any) of a loss of federal or other funds to the civil taxing
 7 unit that might have been used for public transportation purposes.
 8 However, the increase that the board may recommend under this
 9 subdivision for a civil taxing unit may not exceed the revenue that
 10 would be raised by the civil taxing unit based on a property tax
 11 rate of one cent (\$0.01) per one hundred dollars (\$100) of
 12 assessed valuation.

13 (8) *A levy increase may not be granted under this subdivision for*
 14 *property taxes first due and payable after December 31, 2009.*
 15 Permission to a civil taxing unit to increase the unit's levy in
 16 excess of the limitations established under section 3 of this
 17 chapter if the local government tax control board finds that:

18 (A) the civil taxing unit is:
 19 (i) a county having a population of more than one hundred
 20 forty-eight thousand (148,000) but less than one hundred
 21 seventy thousand (170,000);
 22 (ii) a city having a population of more than fifty-five
 23 thousand (55,000) but less than fifty-nine thousand (59,000);
 24 (iii) a city having a population of more than twenty-eight
 25 thousand seven hundred (28,700) but less than twenty-nine
 26 thousand (29,000);
 27 (iv) a city having a population of more than fifteen thousand
 28 four hundred (15,400) but less than sixteen thousand six
 29 hundred (16,600); or
 30 (v) a city having a population of more than seven thousand
 31 (7,000) but less than seven thousand three hundred (7,300);
 32 and

33 (B) the increase is necessary to provide funding to undertake
 34 removal (as defined in IC 13-11-2-187) and remedial action
 35 (as defined in IC 13-11-2-185) relating to hazardous
 36 substances (as defined in IC 13-11-2-98) in solid waste
 37 disposal facilities or industrial sites in the civil taxing unit that
 38 have become a menace to the public health and welfare.

39 The maximum increase that the local government tax control
 40 board may recommend for such a civil taxing unit is the levy that
 41 would result from a property tax rate of six and sixty-seven
 42 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 43 of assessed valuation. For purposes of computing the ad valorem
 44 property tax levy limit imposed on a civil taxing unit under
 45 section 3 of this chapter, the civil taxing unit's ad valorem
 46 property tax levy for a particular year does not include that part of

the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.

Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.

Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection.

However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) *A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009.* Permission to a civil taxing unit to increase its levy in excess of

1 *the limitations established under section 3 of this chapter if the*
 2 *civil taxing unit cannot carry out its governmental functions for*
 3 *an ensuing calendar year under the levy limitations imposed by*
 4 *section 3 of this chapter."*

5 Page 152, between lines 27 and 28, begin a new paragraph and
 6 insert:

7 "SECTION 178. IC 6-1.1-40-9 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
 9 Sec. 9. (a) Before a person acquires new manufacturing equipment for
 10 which the person wishes to claim a deduction under this chapter, the
 11 person must submit to the commission a statement of benefits, in a
 12 form prescribed by the department of local government finance. The
 13 statement of benefits must include the following information:

14 (1) A description of the new manufacturing equipment ~~and~~
 15 ~~inventory~~ that the person proposes to acquire.

16 (2) An estimate of the number of individuals ~~that~~ **who** will be
 17 employed or whose employment will be retained by the person as
 18 a result of the installation of the new manufacturing equipment
 19 ~~and acquisition of inventory~~ and an estimate of the annual salaries
 20 of these individuals.

21 (3) An estimate of the cost of the new manufacturing equipment.
 22 ~~and inventory.~~

23 (b) The statement of benefits may contain any other information
 24 required by the commission. If the person is requesting or will be
 25 requesting the designation of a district, the statement of benefits must
 26 be submitted at the same time as the request for designation is
 27 submitted.

28 (c) The commission shall review the statement of benefits if
 29 required under subsection (b). The commission shall make findings
 30 determining whether the estimate of:

31 (1) the number of individuals ~~that~~ **who** will be employed or whose
 32 employment will be retained;

33 (2) the annual salaries of those individuals;

34 (3) the value of the new manufacturing equipment; ~~and inventory;~~
 35 and

36 (4) any other benefits about which the commission requires
 37 information;

38 are benefits that can be reasonably expected to result from the
 39 installation of the new manufacturing equipment. ~~and acquisition of~~
 40 ~~inventory.~~

41 SECTION 179. IC 6-1.1-40-10, AS AMENDED BY P.L.219-2007,
 42 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 10. (a) Subject to
 44 subsection ~~(c); (d)~~, an owner of new manufacturing equipment ~~or~~
 45 ~~inventory, or both~~, whose statement of benefits is approved is entitled
 46 to a deduction from the assessed value of that equipment ~~and inventory~~

for a period of ten (10) years. Except as provided in subsections **(b)** and **(c)**, ~~and (d)~~; and subject to subsection ~~(c)~~ **(d)** and section 14 of this chapter, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection ~~(c)~~ **(d)** and section 14 of this chapter, for the sixth through the tenth year, the amount of the deduction equals the product of:

- (1) the assessed value of the new manufacturing equipment; multiplied by
- (2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

~~(b)~~ Subject to section 14 of this chapter, for the first year the amount of the deduction for inventory equals the assessed value of the inventory. Subject to section 14 of this chapter, for the next nine ~~(9)~~ years, the amount of the deduction equals:

- ~~(1)~~ the assessed value of the inventory for that year; multiplied by
- ~~(2)~~ the owner's export sales ratio for the previous year; as certified by the department of state revenue under IC 6-3-2-13.

~~(c)~~ **(b)** A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

~~(d)~~ **(c)** If a deduction is not fully allowed under subsection ~~(c)~~ **(b)** in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

~~(e)~~ **(d)** For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:
 - (A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's

depreciable personal property in the taxing district; divided by
 (B) the total true tax value of all of the owner's depreciable
 personal property in the taxing district that is subject to the
 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9
 determined:

(i) under the depreciation schedules in the rules of the
 department of local government finance before any
 adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50
 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 180. IC 6-1.1-40-11 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:

Sec. 11. (a) A person that desires to obtain the deduction provided by
 section 10 of this chapter must file a certified deduction application, on
 forms prescribed by the department of local government finance, with:

(1) the auditor of the county in which the new manufacturing
 equipment ~~and inventory~~ is located; and

(2) the department of local government finance.

A person that timely files a personal property return under
 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
 is installed ~~or the inventory is subject to assessment~~ must file the
 application between March 1 and May 15 of that year.

(b) The application required by this section must contain the
 following information:

(1) The name of the owner of the new manufacturing equipment.
~~and inventory.~~

(2) A description of the new manufacturing equipment. ~~and~~
~~inventory.~~

(3) Proof of the date the new manufacturing equipment was
 installed.

(4) The amount of the deduction claimed for the first year of the
 deduction.

(c) A deduction application must be filed under this section in the
 year in which the new manufacturing equipment is installed ~~or the~~
~~inventory is subject to assessment~~ and in each of the immediately
 succeeding nine (9) years.

(d) The department of local government finance shall review and
 verify the correctness of each application and shall notify the county
 auditor of the county in which the property is located that the
 application is approved or denied or that the amount of the deduction
 is altered. Upon notification of approval of the application or of
 alteration of the amount of the deduction, the county auditor shall make
 the deduction.

(e) If the ownership of new manufacturing equipment changes, the
 deduction provided under section 10 of this chapter continues to apply
 to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and

(2) files the applications required by this section.

(f) The amount of the deduction is:

(1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(2) the assessed value of the equipment for the year the deduction is claimed by the new owner."

Page 153, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 183. IC 6-1.1-42-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 17. (a) A person may apply for an assessed valuation deduction for:

(1) real property; and

(2) personal property; ~~other than inventory; (as defined in IC 6-1.1-3-11);~~

located in an area designated as a brownfield revitalization zone.

(b) An application for a deduction for an improvement to a brownfield revitalization zone or personal property located in a brownfield revitalization area must:

(1) be submitted to the designating body before the date that the improvement is initiated or, if the deduction is for personal property, the property is brought into the area;

(2) contain sufficient information for the designating body to approve the deduction; and

(3) be submitted in the form prescribed by the department of local government finance."

Page 165, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 199. IC 6-3.1-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 19. The board shall consider the following factors in evaluating applications filed under this chapter:

(1) The level of distress in the surrounding community caused by the loss of jobs at the vacant industrial facility.

(2) The desirability of the intended use of the vacant industrial facility under the plan proposed by the municipality or county and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.

(3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.

(4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan proposed

by the municipality or county, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist in the financing of improvements or redevelopment activities benefiting the vacant industrial facility.

(5) Evidence of efforts by the municipality or county to implement the proposed plan without additional financial assistance from the state.

(6) Whether the industrial recovery site is within an economic revitalization area designated under IC 6-1.1-12.1.

~~(7) Whether action has been taken by the metropolitan development commission or the legislative body of the municipality or county having jurisdiction over the proposed industrial recovery site to make the property tax credit under IC 6-1.1-20.7 available to persons owning inventory located within the industrial recovery site and meeting the other conditions established by IC 6-1.1-20.7."~~

Page 192, line 5, after "IC 6-1.1-12-42" delete "." and insert "**or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-11."**

Page 206, line 14, after "IC 6-1.1-12-42" delete "." and insert "**or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-11."**

Page 207, line 20, strike "immediately preceding year's".

Page 207, line 20, after "date" insert "**in 2006"**.

Page 207, line 22, strike "immediately preceding year's".

Page 207, line 22, after "date" delete "." and insert "**in 2006."**

Page 207, line 38, strike "immediately preceding year's".

Page 207, line 38, after "date" insert "**in 2006"**.

Page 207, line 40, strike "immediately preceding year's".

Page 207, line 40, after "date" delete "." and insert "**in 2006."**

Page 212, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 219. IC 6-6-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 2. (a) There is imposed an annual license excise tax upon vehicles, which tax shall be in lieu of the ad valorem property tax levied for state or local purposes, but in addition to any registration fees imposed on such vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to the provisions of IC 6-8.1.

(c) No vehicle, as defined in section 1 of this chapter, ~~excepting vehicles in the inventory of vehicles held for sale by a manufacturer, distributor or dealer in the course of business,~~ shall be assessed as personal property for the purpose of the assessment and levy of personal property taxes or shall be subject to ad valorem taxes whether or not such vehicle is in fact registered pursuant to the motor vehicle

1 registration laws. No person shall be required to give proof of the
 2 payment of ad valorem property taxes as a condition to the registration
 3 of any vehicle that is subject to the tax imposed by this chapter."

4 Page 213, between lines 25 and 26, begin a new paragraph and
 5 insert:

6 "SECTION 217. IC 6-6-11-9 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
 8 Sec. 9. A boat is exempt from the boat excise tax imposed for a year if
 9 the boat is:

- 10 (1) owned by the United States;
- 11 (2) owned by the state or one (1) of its political subdivisions (as
 12 defined in IC 36-1-2-13);
- 13 (3) owned by an organization exempt from federal income
 14 taxation under 501(c)(3) of the Internal Revenue Code;
- 15 (4) a human powered vessel, as determined by the department of
 16 natural resources;
- 17 (5) held by a boat manufacturer, distributor, or dealer for sale in
 18 the ordinary course of business; ~~and subject to assessment under~~
 19 ~~IC 6-1.1;~~
- 20 (6) used by a person for the production of income and subject to
 21 assessment under IC 6-1.1;
- 22 (7) stored in Indiana for less than twenty-two (22) consecutive
 23 days and not operated, used, or docked in Indiana;
- 24 (8) registered outside Indiana and operated, used, or docked in
 25 Indiana for a combined total of less than twenty-two (22)
 26 consecutive days during the boating year; or
- 27 (9) subject to the commercial vessel tonnage tax under IC 6-6-6."

28 Page 215, after line 42, begin a new paragraph and insert:

29 "SECTION 221. IC 8-22-3.5-14, AS AMENDED BY P.L.124-2006,
 30 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 14. (a) This section
 32 applies only to an airport development zone that is in a:

- 33 (1) city described in section 1(2) of this chapter; or
- 34 (2) county described in section 1(3), 1(4), or 1(6) of this chapter.

35 (b) Notwithstanding any other law, a business or an employee of a
 36 business that is located in an airport development zone is entitled to the
 37 benefits provided by the following statutes, as if the business were
 38 located in an enterprise zone:

- 39 ~~(1) IC 6-1.1-20.8.~~
- 40 ~~(2) (1) IC 6-3-2-8.~~
- 41 ~~(3) (2) IC 6-3-3-10.~~
- 42 ~~(4) (3) IC 6-3.1-7.~~
- 43 ~~(5) (4) IC 6-3.1-9.~~
- 44 ~~(6) (5) IC 6-3.1-10-6.~~

45 (c) Before June 1 of each year, a business described in subsection
 46 (b) must pay a fee equal to the amount of the fee that is required for

enterprise zone businesses under IC 5-28-15-5(a)(4)(A). However, notwithstanding IC 5-28-15-5(a)(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county auditor."

Page 244, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 253. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] IC 6-1.1-3-11; IC 6-1.1-3-12; IC 6-1.1-3-13; IC 6-1.1-10-29; IC 6-1.1-10-29.3; IC 6-1.1-10-29.5; IC 6-1.1-10-30; IC 6-1.1-10-30.5; IC 6-1.1-10-31.1; IC 6-1.1-10-31.4; IC 6-1.1-10-31.5; IC 6-1.1-10-31.6; IC 6-1.1-10-31.7; IC 6-1.1-10-40; IC 6-1.1-10-43; IC 6-1.1-10.1; IC 6-1.1-20.7; IC 6-1.1-20.8; IC 6-1.1-40-3."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 269. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **IC 6-1.1-1-11, IC 6-1.1-2-7, IC 6-1.1-3-1, IC 6-1.1-12-42, IC 6-1.1-12.1-4.5, IC 6-1.1-12.1-4.7, IC 6-1.1-12.1-5.4, IC 6-1.1-12.4-3, IC 6-1.1-14-9, IC 6-1.1-40-9, IC 6-1.1-40-10, IC 6-1.1-40-11, and IC 6-1.1-42-17, all as amended by this act, apply only to property taxes first due and payable after December 31, 2007.**"

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

Representative Leonard